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III.

COMMERCIAL RELATIONS WITH FRANCE.

It is generally admitted that, in order to revive our commerce and industry, it is absolutely necessary to have a more extended foreign trade.

It is further admitted that, while the agricultural products of the United States share a more than fair competition with the raw cotton of India, Egypt, and Brazil, and with the cereals of Russia and Germany, in the markets of the world, yet the export of our surplus manufactures can hardly compare in value to the two towns of Sheffield and Bradford. In fact, our whole export of manufactured goods in 1877 was about \$70,000,000, while our production of manufactures exceeded, no doubt, \$3,000,000,000 in value.

It is therefore of the greatest importance to the industry of the country to understand our commercial relations with the several great countries in the world. I intend in this article to explain our commercial relations with France. Our total trade with that country, exports and imports, is the second in importance on the list.

The total imports from France in 1877 amounted to \$50,355,540, and our total exports to France in 1877 amounted to \$46,233,793: the grand total being \$96,589,333. The imports and exports of bullion comprised in the above figures were: Imports of bullion from France, \$2,799,248; exports of bullion to France, \$2,135,450—showing an increase of imports in bullion over exports of \$663,798: yet the actual balance of trade was against us to the amount of \$4,121,747. This circumstance in itself is by no means a very serious feature, as it has been proved over and over again that a country can be, and, as an example, during the last few years the United States has been, in commercial and industrial distress, with the balance of trade in the aggregate in her

favor. But when we analyze the nature of our trade with France we find the result far from satisfactory. Of our \$46,233,793 exports to France, twelve items represent no less than \$44,336,013, as follows :

Cotton, raw.....	\$25,450,939
Provisions.....	4,662,844
Petroleum.....	3,355,104
Leaf-tobacco.....	2,491,421
Bullion.....	2,135,450
Breadstuffs.....	2,036,807
Copper in ingots.....	1,880,000
Tallow.....	1,234,260
Lumber, staves, etc.....	356,960
Hides and skins.....	335,900
Whale-oil and whalebone.....	251,054
Hops.....	145,274
Total.....	<u>\$44,336,013</u>

Leaving barely \$2,000,000 of exports for all manufactured goods. As it will be observed that the above items represent the crudest agricultural products, breadstuffs, petroleum, ingot-copper, tallow, etc., the question now arises, "Why do we not export more of our manufactures to France?"

As a comparison of our exports of the same manufactured goods to England, Germany, and France, respectively, the following table, of but a few items, will give the reader a better idea in how far we are cut off from the French market with our manufactures :

EXPORTS IN 1877.

ARTICLES.	To England.	To Germany.	To France.
Cotton fabrics.....	\$1,740,365	\$257,944	None.
Iron and steel manufactures.....	1,108,901	837,166	\$117,309
Leather of all kinds, including morocco....	4,785,265	1,527,076	19,515
Wooden-ware and furniture.....	476,820	247,891	47,539
Sewing-machines.....	479,710	587,684	38,281

It would be useless to follow up the list of smaller items, but the above gives a fair idea that we are precluded from selling our manufactured goods in the French market. And, what is still more melancholy, is the fact that this is not owing to our inability to compete, seeing that we do compete, both with England

and Germany, in their own markets, with the manufactured goods so far named.

The unsatisfactory state of our commercial relations with France is owing to the fact that our commerce is classed under the general tariff of France, and we are not allowed to participate in the benefits of the liberal treaty tariff. It should be understood that the French have two distinct tariff laws. The one (the old tariff) is called *tarif général*, full of prohibitions and high rates of duties, and the other the *tarif conventionnel*, which is the celebrated Cobden treaty tariff, and only nations who have an express commercial treaty with France come under the category. The nations who have a commercial treaty with France are—Great Britain, Belgium, Italy, Switzerland, Sweden and Norway, the Netherlands, Portugal, Austria, Turkey, and Germany.

Any of these nations sending fabrics of cotton to France are charged a duty in a specific form, averaging from 40 francs for 100 kilos (or 220 pounds) to 95 francs on unbleached cotton goods. But if it comes from any other country, that has not a commercial treaty with France, for instance from the United States, it is prohibited entirely.

Iron, for instance, pays under the treaty tariff a duty of 6 to 7 francs 50 centimes per 100 kilos. But, if it comes from the United States, the duty is 15 francs to 19 francs per 100 kilos.

Tanned leather pays a duty of 10 to 60 francs per 100 kilos under the treaty tariff, while under the general tariff the duty is from 57 to 147 francs per 100 kilos.

Machinery, under the treaty tariff, pays a duty of from 6 to 10 francs per 100 kilos, but under the general tariff the duty is from 21 to 75 francs per 100 kilos. And so it goes on through the whole tariff list on manufactured goods. What is not absolutely prohibited, is charged from three to four times more under the general tariff than under the treaty tariff. Thus it will be seen that we are precluded from having a trade with a great country like France, in manufactured goods, not because we do not manufacture articles she needs or wants, or because they are really too dear, but simply because the tariff law of France prevents the trade.

It should also be understood that, in the several articles we

do export largely to France, such as raw materials, grain and provisions, no difference is made in France in the duties, if they came from tariff-treaty countries or others.

This, then, explains the whole mystery why, in an export of over \$46,000,000 to France, less than \$2,000,000 is made up of manufactured goods. Now, France is no doubt perfectly willing to allow us to come in under the treaty tariff. But she says (and perhaps not very wisely): "As long as you in the United States charge a heavy duty on our products, we cannot admit you to our liberal tariff. What we want is reciprocity."

It will therefore be necessary now to explain in how far our high duties injure imports from France. First, I will show the chief imports from France in 1877, and the rate of duties charged on them.

Of the \$50,353,540 imports from France in 1877, \$7,201,881 were admitted into the United States free of duty, leaving some \$43,000,000 imports dutiable, and the chief items were as follows:

ARTICLES.	Value of Imports.	Rate of Duty, calculated ad valorem.
Buttons of all kinds.....	\$842,647	30 per cent.
Articles of clothing.....	127,633	56 " "
Cotton fabrics.....	2,231,058	Average 40 " "
Earthenware.....	544,320	" 40 " "
Fancy goods.....	1,781,970	35 " "
Sardines.....	685,164	50 " "
Linens, etc.....	354,162	40 " "
Fruits of all kinds.....	521,349	25 " "
Furs and dressed skins.....	781,769	20 " "
Glassware.....	250,329	45 " "
Iron and steel manufactures.....	401,082	Average 40 " "
Leather of all kinds.....	3,095,685	25 " "
Kid gloves.....	1,186,109	50 " "
Leather manufactures.....	142,501	35 " "
Metals.....	290,499	Average 30 " "
Olive-oil.....	297,796	51 " "
Paintings, etc.....	378,661	10 " "
Precious stones.....	1,032,758	10 " "
Manufactures of silks.....	12,709,932	60 " "
Watches, clocks, etc.....	230,419	25 " "
Spirits, brandy.....	1,100,966	104 " "
Wines, champagne.....	1,613,417	51 " "
Still-wines in casks.....	951,055	85 " "
Manufactures of wool.....	7,682,345	Average 56 " "
Total.....	\$39,236,626	

It will thus be seen that nine items alone, amounting to \$26,354,417 out of these \$39,236,626 imports, pay a duty of fifty per cent. and over in the United States :

ARTICLES.	Value of Imports.	Rate of Duty, calculated ad valorem.
Silks.....	\$12,709,932	60 per cent.
Manufactures of wool.....	7,682,345	56 " "
Brandy.....	1,100,966	104 " "
Still-wines.....	951,055	85 " "
Kid gloves.....	1,186,109	50 " "
Champagne.....	1,613,417	51 " "
Olive-oil.....	297,796	51 " "
Articles of clothing.....	127,633	56 " "
Sardines.....	685,164	50 " "
Total.....	\$26,354,417	

Then arises the question whether, for the sake of obtaining revenue, we can afford to lower our duties on the above articles in order to conciliate the French trade.

There is no doubt that lower rates of duties on silks, manufactures of wool, sardines, kid gloves, clothing, and olive-oil, would bring us more revenue than we get now from these products.

The tax on brandy is not higher in the United States than it is in England, while the duty on wine requires more a revision of classification than actual lowering of rates. It is true, the duty of forty cents a gallon on cheap red wines is too high, and should be lowered ; but champagne, at six dollars' duty on a dozen quart-bottles, is barely equal to fifty-one per cent. Thus, it will be seen that the reciprocity tariff question with France is more or less complicated ; yet France is decidedly punishing her commerce by keeping us out of the "treaty tariff." She deprives herself largely of the benefits of having many of our manufactured articles cheap, because we tax heavily her silks and wines, which, as is seen, we are still obliged to import largely, notwithstanding the high rates of duties.

Again, France for the last seventeen years has had ample proof that a liberal trade with nations is of the greatest benefit to her.

How strange, and, if I may be allowed to say, blind, is a commercial policy which says, "Because you are taxing your people

in the United States sixty per cent. on silks, we in France will tax American leather fifty per cent., and, by so doing, we will not have as cheap boots and shoes, saddlery, and other leather goods, as the English and Germans, who do not tax American leather!" Is it possible for so enlightened a nation as France not to see that a tariff policy which actually deprives the treasury of revenue (as is the case with American cotton goods, now prohibited in France) injures both the revenue and the consumers?

France has found it profitable to buy cotton fabrics and many other articles in England. She certainly does not buy these manufactures simply because all kinds of French products, except spirits and wines, are free in England. But she does buy them because they are cheap, and both trade and consumers are benefited. If there were no benefits derived from these English products in France, the Frenchman would not buy them. Why, then, should France deprive herself of our manufactures, which the English are buying from us, and in many cases, no doubt, selling them to France as English goods?

Retaliation is not a very philanthropic word, nay, not even if it is used for charitable purposes; because it is always open to the questionable contingency that, when one side stops being charitable, the other side would do the same.

The interest of a great commercial nation is to allow its people to have the benefits of the world's productions, without hindrance, from the cheapest markets, subject to such judicious charges as are absolutely necessary for the maintenance of the state.

In connection with the retaliation policy, it may be pointed out that section 17 in Mr. Wood's tariff bill, which proposes to charge an additional ten per cent. on the rate of duty on all goods coming from countries that have discriminating duties against our manufactures, is a step backward in tariff revision; and there is not much danger of its becoming law. This section, if adopted, would of course raise the duty on French products higher than on English and German products. I do not believe that it would punish the industries of France much, since we would, in spite of it, consume as many French silks, French wines and brandies, and other peculiar French manufactures, as before; but it will add a heavier burden to the consumers of French goods in the United States.

The able economists of France should seriously consider whether the time has not come for the abolition of that relic of barbarism known as the *tarif général*. It is not for a moment contended that this tariff is kept on the statute-books of France in order to produce revenue. It is simply upheld to induce or coerce foreign nations to reciprocate in the trade with France. But it is a melancholy fact that it has the opposite effect. It produces irritation enough to induce one of the largest and most faithful customers of France, the 45,000,000 consumers in the United States, to propose a retaliation; and the very fact of the existence of this outrageous *tarif général* in France has furnished the most potential weapons to the high-tariff party here with which to fight the advocates of a liberal tariff reform.

Besides, coercion may sometimes prove successful in war, mutiny, and rebellion; but, commerce being the very embodiment of peace and harmony, "coercion" is about the worst element that can be employed to bring about a good understanding.

There can be no doubt that a satisfactory commercial understanding can be accomplished between the United States and France, in a thorough exchange of liberal views, by the eminent men who are now presiding over the destinies of each country.

The commercial interests of both countries, the value and amount of the trade, are set forth in this article, and there can be no doubt that, by a fair commercial understanding, our trade with France can in a few years be doubled, both as to exports and imports. That such a happy consummation will give employment to tens of thousands in both countries, be a great boon to consumers, commerce, and industry, and besides add revenue to the Treasury, no one, who can bring only average intelligence to the question, can doubt.

J. S. MOORE.